



**The Republic of Serbia**  
**THE MINISTRY OF MINING AND ENERGY**

Ref. No.: 401-00-1356/2016-06

Date: 22.03.2017

Belgrade

The Ministry of Mining and Energy, on the basis of Article 61, para 1, of the Law on Efficient Use of Energy („The Official Gazette RS”, No. 25/13), Article 8, para 1, of the Rulebook on requirements for allocation and use of the Budget Fund for Improving Energy Efficiency in the Republic of Serbia and the criteria on exemption from obligation to undertake energy audits („The Official Gazette RS”, No. 15/16) and Chapter IX, para 2, of the Public Call for award of grants from the Budget Fund for Improving Energy Efficiency in the Republic of Serbia and the Global Environmental Facility to fund projects in the field of energy efficiency for the year 2016 in units of local self-government, JP 2/16, is adopting the following

**DECISION**

1. **APPROVING** for the following units of local self-government funding for energy efficiency projects from the Budget Fund Improving Energy Efficiency in the Republic of Serbia (hereinafter: the Budget Fund), and from the Global Environmental Facility (hereinafter: GEF), via the United Nations Development Programme (hereinafter: UNDP):

Table 1. List of units of local self-government for which project funding is approved

UNORE exchange rate for November 2016: 1 US\$ = RSD 112.738

Serial No.	Application No.	Name of unit of LSG	Number of points	Requested funds from MME in RSD	Requested/available funds of UNDP	
					RSD	USD
1	401-00-1356/2016-06/27	Žagubica	90,00	2.500.000,00	5.636.900,00	50.000,00
2	401-00-1356/2016-06/34	Raška	78,10	2.500.000,00	5.636.900,00	50.000,00
3	401-00-1356/2016-06/12	Knjaževac	72,76	2.500.000,00	5.636.900,00	50.000,00
4	401-00-1356/2016-06/15	Lapovo	59,92	2.500.000,00	5.636.900,00	50.000,00
6	401-00-1356/2016-06/32	Šabac	56,88	2.472.000,00	5.150.000,00	45.681,14
5	401-00-1356/2016-06/22	Medveđa	53,67	1.448.251,20	3.017.190,00	26.762,85
7	401-00-1356/2016-06/20	Ljubovija	53,42	1.999.183,20	4.164.965,00	36.943,75

8	401-00-1356/2016-06/24	Lučani	49,97	2.500.000,00	5.231.119,85	46.400,68
9	401-00-1356/2016-06/28	Pećinci	49,66	1.600.191,95	3.333.733,23	29.570,63
10	401-00-1356/2016-06/19	Svilajnac	44,88	938.708,76	1.955.643,25	17.346,80
11	401-00-1356/2016-06/1	Žabari	44,84	1.864.148,40	3.883.642,50	34.448,39
12	401-00-1356/2016-06/21	Kruševac	44,37	801.147,60	1.669.057,50	14.804,75
<b>Total</b>				<b>23.623.631,11</b>	<b>50.952.951,33</b>	<b>451.958,98</b>

2. APPROVING FOR MUNICIPALITY VELIKA PLANA, application number: 401-00-1356/2016-06/14, funding of the energy efficiency project from the Budget Fund in the amount of up to RSD 1,376,368.89 and amount from the UNDP/GEF of RSD up to 3,607,650.00 which is up to USD 32,000.30 (UNORE exchange rate for November 2016: 1 US\$=RSD 112.738).

Since the amount of approved funding from para 1 is lower than the amount applied for by the municipality Velika Plana for its project, the said approved amount will be offered to the said municipality and, if the municipality Velika Plana accepts the offer, it should provide a statement confirming that it is accepting the lower amount than applied for and that it is in a position to ensure the necessary level of co-funding for its project. In such a case, the agreement which is to be signed by the Ministry and the municipality Velika Plana should enable, provided that after the conducted public procurement procedure by the unit of local self-government to whom funds have been approved in the full amount the funds used for implementation of the projects are lower than stipulated meaning that the amount of co-financing from the Budget Fund and the GEF is lower, the Budget Fund shall reimburse the municipality Velika Plana for project expenditures up to the maximum requested RSD 1.731.672,00 and the UNDP/GEF up to the maximum of RSD 3.607.650,00 or 32.000,30 USD (UNORE exchange rate for November 2016: USD=RSD 112,738).

If the municipality Velika Plana is not interested to receive funding under such conditions, or after funding the expenditures for the implementation of the project by Velika Plana of up to maximum RSD 1.731.672,00 there are funds remaining for co-financing from the Budget Fund and from the UNDP/GEF, the agreement would be offered under the same principles to other units of SLG under the following ranking:

Table 2. List of units of local self-government whose projects can potentially be funded

UNORE exchange rate for November 2016: US\$=RSD 112.738

Serial No.	Application No.	Name of the unit of local self-government	Maximum amount of approved funds from the Budget Fund	Maximum amount of funds from donation/approved funds from UNDP/GEF in RSD	Maximum amount of funds from donation/approved funds from UNDP/GEF in USD
1	401-00-1356/2016-06/14	Bela Palanka	1.233.828,00	2.570.475,00	22.800,43
2	401-00-1356/2016-06/5	Vršac	1.980.182,80	4.104.547,50	36.407,84
3	401-00-1356/2016-06/3	Gadžin Han	1.010.412,00	2.105.025,00	18.671,83
<b>Total amount of funds approved</b>			<b>4.224.422,80</b>	<b>8.780.047,50</b>	<b>77.880,11</b>

3. Units of local self-government from item 1 and 2 of this decision shall receive funds depending on the amount of their projects, determined after conducted public procurement procedures according to the requirements of the Public Procurement Law („The Official Gazette RS”, No. 124/12, 14/15 and 68/15), which shall not exceed the amount stated in item 1 of this decision.

Should it be determined for units of local self-government from item 1 of this Decision, after conducting the public procurement procedure, that the contract value of the project is lower than the value of the project stated in the application under the Public Call, the amount of own financing of the unit of LSG stated in the Statement on the manner of funding projects from Appendix 4 of the Public Call (hereinafter: Appendix 4), provided that such amount cannot be lower than the amount of own funding stated in Appendix 4, the UNDP/GEF shall participate in the funding up to the percentage share stated in Appendix 4, and funds of the Budget Fund shall be determined after the contract value of the project is subtracted from the own funding by the unit of LSG and UNDP/GEF.

Should it happen that after the conducted public procurement procedure the only remaining funds are those of the UNDP/GEF, an offer will be made to units of LSG to co-fund projects from the remaining funds up to the percentage share stated in Appendix 4, and not exceeding the amounts from Table 1. In such a case and offer will be made to units of LSG to commit under the contract to co-fund the missing amounts from their own sources.

4. for the municipality Velika Plana or another unit of LSG from item 2, para 3, of this Decision, funds shall be approved up to the amount requested from the Budget Fund and funds from UNDP/GEF provided that after conducting public procurement procedures by units of LSG from item 1 of this Decision to whom funds are approved in the full requested amount and after signing the agreed value of the projects, there still remain a part of the amount stated in section I, para 2, of the Public Call.

5. This Conclusion shall be published at the WebPages of the Ministry of Mining and Energy.

#### Justification

Article 61, para 1, of the Law on Efficient Use of Energy prescribes that the funds of the Budget Fund are awarded to beneficiaries of the Budget Fund for the purpose of funding energy efficiency from Article 57 of the Law, on the basis of public competitions invited by the ministry in charge of energy, while para 8 of this Article prescribes that the minister in charge of energy shall prescribe detailed requirements for the allocation and use of funds in order to improve energy efficiency in the Republic of Serbia, the methods for distribution of such funds, and the manner of monitoring the use of funds for the ear-marked purpose and the resulting contractual rights and obligations.

On the basis of the above legal basis, the Rulebook on requirements for allocation and use of the Budget Fund for Improving Energy Efficiency in the Republic of Serbia and the criteria on exemption from obligation to undertake energy audits (hereinafter: Rulebook), which, in Article 6, para 1, prescribes that the ministry in charge of energy shall publish public calls for funding of projects from Article 4 of the Rulebook, including implementation of energy efficiency measures in public buildings, which are under the competences of units of local self-government. In line with the said articles of the Rulebook, on 24 October 2016 the Public Call was published for the award of grant funds from the Budget Fund for improvement of energy efficiency and from the Global Environmental Facility in order to fund energy efficiency projects in 2016 in units of local self-government, the Public Call No. JP 2/16 (hereinafter: the Public Call).

Section I, para 2, of the Public Call states that the total grant funds to be awarded under the Public Call shall amount to RSD 25.000.000 (including VAT), from the Budget of the Republic of Serbia (source of funding 01), as well as up to USD 500.000 (exempted from VAT), from the funds of the GEF, while section IX of the Public Call prescribed that the evaluation and selection of proposed projects shall be done in compliance with the Public Call and the Rulebook.

Article 2, para 2, item 1) of the Rulebook prescribes that the beneficiaries of funds for energy efficiency to whom funds are awarded from the Budget Fund are especially the units of local self-

government located in devastated regions according to the law regulating regional development, as well as other units of LSG, whereas Article 3 of the Rulebook prescribes that the funds of the Budget Fund are to be awarded to beneficiaries in order to fund projects which after completion must contribute to energy savings.

Article 4 of the Rulebook prescribes measures contained in energy efficiency projects to be funded in compliance with the Rulebook.

Article 5, para 1, of the Rulebook prescribes that the maximum amount of funds per energy efficiency project according to Article 4, para 1, items 1), 2), 3), 4) and 6) of the Rulebook, paid from the Budget Fund, shall be up to 100%, for projects in units of LSG in devastated areas, or up to 70%, for projects in other units of LSG; para 3 of the said Article prescribes that if donor funds are ensured for the funding of the project, the distribution and the amount of funds from para 1 and 2 of this Article can be different, in line with the requirements of the donor, while para 4 prescribes that during the implementation of the annual program for funding of energy efficiency activities and measures only one project can be approved for one unit of LSG.

The Article 8, para 1, of the rulebook also prescribes that the ministry in charge of energy (hereinafter: the Ministry) shall be in charge of preparation of tender documents, selection and approval of projects according to criteria defined in the Rulebook, allocation of funds, supervision of project implementation, and control of progress of works under the project.

Article 9, para 1, 2, and 4, of the Rulebook prescribes that criteria for project selection to be included in the public call; stating that if donor funds are ensured for the funding of projects from Article 4 of the Rulebook, such criteria may also include other elements, according to the donation document, and that the Ministry shall sign individual contracts with beneficiaries of funds for selected projects.

Acting in line with the above, on 16 March 2017, this Ministry evaluated and ranked the compliant applications by units of local self-government, also recording the relevant minutes, and thus selection was made of projects and funds were awarded from the Budget Fund for energy efficiency of the Republic of Serbia and funds from UNDP/GEF as stated in items 1 and 2 of the text of the above Decision.

The applications received from units of local self-government have been evaluated and ranked as follows:

Table 3. Ranking of applications by units of local self-government

UNORE exchange rate for November 2016: USD=RSD 112,738

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					RSD	USD
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2	401-00-1356/2016-06/34	Raška	78,10	2.500.000,00	5.636.900,00	50.000,00
3	401-00-1356/2016-06/12	Knjaževac	72,76	2.500.000,00	5.636.900,00	50.000,00
4	401-00-1356/2016-06/15	Lapovo	59,92	2.500.000,00	5.636.900,00	50.000,00
6	401-00-1356/2016-06/32	Šabac	56,88	2.472.000,00	5.150.000,00	45.681,14
5	401-00-1356/2016-06/22	Medveđa	53,67	1.448.251,20	3.017.190,00	26.762,85

7	401-00-1356/2016-06/20	Ljubovija	53,42	1.999.183,20	4.164.965,00	36.943,75
8	401-00-1356/2016-06/24	Lučani	49,97	2.500.000,00	5.231.119,85	46.400,68
9	401-00-1356/2016-06/28	Pećinci	49,66	1.600.191,95	3.333.733,23	29.570,63
10	401-00-1356/2016-06/19	Svilajnac	44,88	938.708,76	1.955.643,25	17.346,80
11	401-00-1356/2016-06/1	Žabari	44,84	1.864.148,40	3.883.642,50	34.448,39
12	401-00-1356/2016-06/21	Kruševac	44,37	801.147,60	1.669.057,50	14.804,75
13	401-00-1356/2016-06/26	Velika Plana	43,78	1.731.672,00	3.607.650,00	32.000,30
14	401-00-1356/2016-06/14	Bela Palanka	42,61	1.233.828,00	2.570.475,00	22.800,43
15	401-00-1356/2016-06/5	Vršac	42,03	1.970.182,80	4.104.547,50	36.407,84
16	401-00-1356/2016-06/3	Gadžin Han	36,65	1.010.412,00	2.105.025,00	18.671,83
<b>Total requested funds</b>				<b>29.569.725,91</b>	<b>63.340.648,83</b>	<b>561.839,39</b>
<b>Total available funds</b>				<b>25.000.000,00</b>	<b>56.369.000,00</b>	<b>500.000,00</b>

Since the total amount of grant funds to be awarded under the Public call are up to RSD 25.000.000,00 from the Budget Fund and up to RSD 56.369.000,00 from the UNDP/GEF (i.e. up to USD 500.000,00 USD - UNORE exchange rate for November 2016: USD=RSD 112,738), it is possible to fund in full amounts the 12 projects stated in item 1 of this Decision. Having in mind the fact that after allocation of funds for the said projects there will remain RSD 1.376.368,89 from the Budget Fund and RSD 5.557.298,67 from UNDP/GEF, it has been concluded that the best solution would be that an offer be made from the Budget Fund to the municipality Velika Plana for the funding of its project, instead of RSD 1.731.672,00 from the Budget Fund (as the municipality applied for) provided that the municipality Velika Plana would be obliged to provide a statement accepting this lower amount and that it is in a position to provide the necessary level of co-financing. In case that the municipality Velika Plana accepts the said proposal, the contract to be signed between the Ministry and the said municipality shall prescribe that after public procurement procedures are conducted by the municipalities listed in Item 1 of this Decision if it proves that the total expenditures for the implementation of their projects are lower than estimated meaning that the amount for co-financing from the Budget Fund is lower, in such a case the Budget Fund may reimburse the municipality Velika Plana for expenditures up to the requested RSD 1.731.672,00. If the municipality Velika Plana is not interested in the offered conditions, or if after funding the expenditures of the Velika Plana project (which can be up to the maximum of RSD 1.731.672,00) there still remain funds allocated from the Budget Fund and funds from UNDP/GEF, an offer will be made, under the same principles, to other units of LSG according to the sequence of ranking from item 2, para 3, of this Decision.

On the basis of Chapter X of the Public Call, and in relation to Article 6, para 3, item 7) of the Rulebook, this conclusion shall be published in the WebPages of the Ministry of Mining and Energy.

In view of the above, the Ministry of Mining and Energy has decided as stated above.

THE MINISTER

Aleksandar Antić